
4 Planning Documents

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Planning Documents

Introduction

Fund holders must prepare a financial operating plan for the total amount of funds allocated to them to effectively manage their funds. The annual resources management planning process begins sometime around April or May to determine how funds will be allocated within a given guideline for a fiscal year. The result of this process should produce the first annual financial operating plan for every fund holder. Fund holders should ensure their operating plans are entered in the official accounting system, either by submitting the completed hard copy Form AD-703, Operating Plan, to the National Finance Center (NFC), by entering the plans online into APHIS' in-house plan system, or by entering the plans online into NFC's Plan System.

Planning documents must be prepared so as to establish accountability by accounting code in the financial system. The total of all plan documents must equal the total funds available to APHIS by fund code and fiscal year. Planning documents provide management with information to estimate resource availability for the current fiscal year and help monitor the prior year balance for 5 years until they are closed.

Statutory requirements (31 U.S.C. 1517 - 1519) prohibit any employee of the U.S. Government to authorize an expenditure or obligation exceeding funds that are available. The head of the executive agency must report immediately to the President and Congress if such a violation occurs. The employee may be subject to appropriate administrative disciplinary action which may include removal from office.

**Introduction
(Continued)**

The criminal penalty for knowingly and willfully violating the law is a fine of not more than \$5,000 and/or imprisonment for not more than 2 years, or both. Planning documents should assist management in avoiding such consequences.

Before the financial plans can be entered into our official accounting system at the beginning of a fiscal year, funds must be made available through the appropriation, apportionment, allotment, and allocation process. This chapter describes each step in detail.

Budget Execution

Budget execution for a fiscal year begins when the appropriation bill is signed. It is an act of Congress that provides authority to incur obligations and to make payments out of the Treasury for specified purposes. If an appropriation is not enacted by the beginning of the fiscal year, Congress can pass a continuing resolution to prevent a Government shutdown due to lack of funds.

After budget authority is initiated, Treasury issues an appropriation warrant. The warrant is a document that establishes, by Federal account symbol, the individual amounts appropriated by Congress that the agency can use to liquidate amounts obligated against the account or fund. The warrant makes the funds available for APHIS to use.

After the appropriation bill is signed, OMB apportions amounts available for obligations to USDA. The apportioned amount limits the obligations that may be incurred.

After the funds are apportioned, the USDA Office of Budget and Program Analysis (OBPA) provides APHIS with an advice of allotment. The advice of allotment places the Agency head with the responsibility of conducting program activities within the funds available.

**Budget Execution
(Continued)**

After the allotment advice is received by APHIS, the Budget and Accounting Division (BAD) uses the allocation work sheet, which was prepared during the allocation process based on the discussions with each of the Program Deputy Administrators, to distribute the net allocation to the fund holders.

The financial operating plans are based on the allocation figures.

**Form SF-132,
Apportionment and
Reapportionment
Schedule**

All funds received by APHIS (appropriated funds by Congress and trust fund receipts) are subject to apportionment unless an exception has been granted by the Office of Management and Budget (OMB). Currently, APHIS Salaries and Expenses (12_1600), Salaries and Expenses-No Year (12X1600), Agricultural Quarantine Inspection User Fees (12X5161), and Buildings and Facilities (12X1601) are subject to apportionment.

Resources received for the Salaries and Expenses appropriation (12_1600) can be apportioned on a fiscal basis. Funds are never apportioned for periods longer than one fiscal year. The Salaries and Expenses appropriation (12X1600), Agricultural Quarantine Inspection User Fees (12X5161), and the Buildings and Facilities appropriation (12X1601) are apportioned on an annual basis. Refer to Chapter 5 of the Budget and Accounting Manual for a complete list of APHIS' Treasury symbols.

The SF-132 is divided into two parts as follows:

- 1. Budgetary Resources.** The top portion identifies the sources of funding; i.e., direct appropriation from Congress, anticipated reimbursements, transfers to or from other Governmental entities, unobligated balances brought forward from previous fiscal years, etc.
- 2. Application of Budgetary Resources.** The bottom portion identifies how we plan to obligate the availability by fiscal quarter. This does not apply to APHIS because we have annual apportionments.

**Form SF-132,
Apportionment and
Reapportionment
Schedule
(Continued)**

The SF-132 is prepared in an original with four copies and submitted through OBPA to OMB for approval. See Exhibit 4-1.

OMB has the authority to make changes in the SF-132 submitted by the Agency. Any change by OMB becomes binding on the Agency. OMB changes are reflected on the SF-132 and a signed copy is returned to BAD through OBPA.

**Form SF-1151, Non-
Expenditure
Transfer
Authorization**

APHIS uses the SF-1151 to authorize and record the transfer of delegated authority for the use and expenditure of funds to or from another agency. The transfer is considered a non-expenditure of funds by the transferring agency. Funds transferred are subject to the same limitations on their use and accountability for which they were appropriated.

If the transfer of funds is to be merged with an existing appropriation, a revised apportionment schedule is required. If funds are not merged with an existing appropriation but retain the original Treasury symbol, an internal apportionment schedule must be prepared and submitted to the transferring agency. The receiving agency is responsible to the transferring agency for the use of the funds and for preparing all necessary reports on their use. The transferring agency must receive copies of these reports.

BAD prepares the SF-1151 in an original with two copies. The original and one copy are sent to OBPA and a copy is retained in BAD for the records. See Exhibit 4-2. This information also can be entered online into the NFC Plan System after it is processed and approved by Treasury.

**Form AD-706,
Statement of
Estimated
Reimbursements or
Receipts**

Form AD-706 is used to record the source and amount of all estimated reimbursements or receipts by Treasury symbol. Estimates must be prepared for each trust fund symbol, total estimated reimbursable overtime, and reimbursable agreements.

**Form AD-706,
Statement of
Estimated
Reimbursements or
Receipts
(Continued)**

Interagency agreements must be reported separately from other types of reimbursable agreements. Each source of reimbursement must be listed by Treasury symbol on separate forms. The information provided on the AD-706 is used to support the amount of anticipated reimbursement on the SF-132, and is the basis for the AD-704, Allotment Advice, for trust funds.

Estimated reimbursements provided on the AD-706 establish an amount of budget authority for the fiscal year. This estimated authority applies to annual appropriations, no-year appropriations, and trust funds. The amount of budget authority established based on estimated reimbursements must be converted to actual budget authority on an annual basis. The amount of actual budget authority is determined by the amount of actual services or goods provided in performing the reimbursable activity. The estimated reimbursements must be constantly reviewed during the fiscal year. Adjustments to estimated reimbursements, either upward or downward, must be made to keep the estimated amounts in line with actual services provided or to be provided.

Each Program Deputy, Director, and each support unit staff anticipating reimbursements during the fiscal year prepares an AD-706 in an original with two copies. The original and one copy are sent to BAD and the second copy is retained for the records. See Exhibit 4-3. BAD will prepare a consolidated copy of all program and support staff estimates by Treasury symbol and submit the AD-706 to NFC.

A revised form must be prepared and submitted to BAD whenever there is an increase or decrease in the amount of estimated reimbursements or receipts for the fiscal year.

Allotment Advice

We use the Allotment Advice to establish the official responsible and accountable for the control and use of funds made available to APHIS. The level of responsibility and accountability must be maintained at the highest possible level that will ensure the efficient and economical use of available funds in accomplishing the Agency mission. The allotment advice holder, or allottee, is responsible for ensuring that funds are used only for the purpose for which they are made available and obligations do not exceed the amounts available. The Administrator is the responsible official, or allottee, for all funds made available to APHIS. APHIS has the following funds:

Annual Appropriation. The Department provides an Advice of Allotment to reflect the total funding available under 12_1600. The funding level includes the appropriation made available by Congress plus estimated reimbursements to be realized during the fiscal year.

No-Year Appropriation. The Department provides an Advice of Allotment to reflect the total funds available for 12X1600, 12X1601, and 12X5161. The funding level includes the unobligated balance brought forward from the previous fiscal year, new appropriated funds made available by Congress, and estimated reimbursements to be realized during the fiscal year.

Trust Funds. BAD uses an Allotment Advice to reflect the total availability for the trust funds. The Advice identifies any unobligated balances brought forward from the previous fiscal year plus new estimated authority added for the current fiscal year.

BAD prepares an Advice of Allotment with two copies. The original is submitted to the allottee, the first copy is sent to NFC, and the second copy is retained in BAD. Increases or decreases of funds will be documented on a revised Advice. The previous availability, net changes, and the current availability will be recorded on the revised Advice with an explanation of the events requiring the change. All revisions will be sequentially numbered. See Exhibit 4-4.

**Form AD-705,
Advice of Allocation
of Funds**

The AD-705 is used to notify deputies and directors of their obligation authority by appropriation symbol. Quarterly limitations include all funds by appropriation symbol. Increases or decreases to availability will be documented on a revised AD-705 and will be sequentially numbered. Changes resulting in an amended allocation will be identified in the remarks section.

BAD prepares the AD-705 in an original with five copies. After the form is signed, the original is sent to each Deputy Administrator and Director. The first copy is submitted to NFC, one copy is provided to the program units, and three copies are retained in BAD for the records. See Exhibit 4-5.

The Deputy Administrators and Directors may suballocate their obligation authority to division, staff, regional and/or area directors. Accountability for the proper use and control of funds is transferred along with the suballocation.

**Assessment for
Administrative
Expenses**

Before an allocation can be made, the APHIS appropriation must be distributed over approximately 45 program line items and assessed administrative expenses. The Integrated Systems Acquisition Project and the contingency funds are not assessed administrative expenses. Most line items contribute to administrative expenses that finance Agency-level support.

Administrative expenses also are financed from the assessment of reimbursable, user fee, and trust fund revenue deposited to APHIS accounts. The Agency-level support activities financed by administrative expenses include the Office of the Administrator, Civil Rights Enforcement and Compliance, Information Technology, Legislative and Public Affairs, Management and Budget, Policy and Program Development, and Organization and Professional Development. In addition to financing support activities, line items are assessed to finance headquarters central services, departmental charges, agency training initiatives, and the Administrator's reserve. (Refer to Chapter 6 for detailed information on overhead costs.)

**Form AD-703,
Operating Plan**

Form AD-703 is used to plan monthly obligations for the fiscal year based on projected activity by accounting classification code. The form is used as a financial management tool to monitor actual program accomplishments against planned activities.

Preparation. Each office receiving a suballocation of funds must prepare a plan for Annual Appropriated Funds (X51, X52, X53), Appropriated Reimbursements (X59), Agricultural Quarantine Inspection User Fees (X41) and No-Year Funds received under X70 through X79. The X refers to the last digit of the fiscal year in these examples. The operating plan will include all planned activities by accounting codes. Do not plan for amounts at the regional level that have been included at the area level. See Exhibit 4-6.

The total of all operating plans must not exceed the amount allocated or allotted. The total amount allocated must be included in an operating plan. No reserves may be retained.

Operating plans should be completed within 3 weeks after the allocation or allotment is received. The preparing official at each location will sign the operating plans and submit them to the approving official for review and signature.

B. Approval. The program unit approving officials will forward one copy to NFC and retain a copy for their records. The support unit and staff director approving officials will retain a copy for their records and forward the original and one copy to BAD. BAD will forward the original to NFC.

The financial operating plans also may be electronically submitted to NFC using the Financial Plan System (FIPS) or may be entered directly online into the NFC PLAN System. Contact BAD for more detailed information on the two planning Systems.

**Form AD-703,
Operating Plan
(Continued)**

C. Revisions. Operating plans should be revised ONLY when an increase or decrease in the allocation of funds is approved for the reporting organizational level. This is to ensure that the levels of reporting will not be distorted and will agree with the total funds for APHIS. Enter only the amount of the change when submitting a revised plan for an object class. Decreases to previously established amounts must be preceded by a minus (-). Leave all other blocks blank. Include a short explanation for the revision on the lower portion of the form.

If possible, all adjustments for increases and decreases in planned amounts should be made in the current and remaining months of the fiscal year. Adjustments may be made to previous months if a situation arises where a decrease is larger than can be adjusted in the remainder of the year. Downward adjustments by object class cannot exceed the amounts originally established.